Contract with Shell India Private Limited

*320. SHRI SYED AZEEZ PASHA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Shell India Private Limited has signed a contract with Government to improve the efficiency of four major Indian refineries at Mathura, Chennai, Vizag and Kochi; and

(b) if so, the terms and conditions of the contract signed in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) and (b) Government has not signed any contract with Shell India Private Limited. However, Centre for High Technology (CHT), a registered society under Ministry of Petroleum & Natural Gas, has signed an agreement with Shell Global Solutions International B.V. (Shell GSI) of the Netherlands for an "Integrated Business Improvement Programme" for these four refineries.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Projected capacity in airlines sector

2262. SHRI B.K. HARIPRASAD: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether travel industry estimates project passenger growth for airlines sector at 250 per centover the coming five years whereas capacity growth will be around 350 per cent for the same period;

(b) if so, whether this will result in gross overcapacity forcing the air carriers to raise their unremuneratively low fares; and

(c) whether in such a scenario, the national carrier Indian should concentrate on profitability rather than market share as it did for the current fiscal year making a net profit of Rs. 68.00 crores?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) While varying projections have been

made with regard to growth of civil aviation sector, the domestic and international passenger traffic grew at 46% and 16% during 2006 and Scheduled domestic passenger airlines are operating 312 aircraft. The growth of civil aviation sector depends upon Economic growth, Bussiness and tourist traffic, foreign tourist arrivals, affordability etc. Induction of aircraft is expected to be commensurate with the growth in passenger traffic in the coming years.

(c) Indian Airlines constantly endeavours to increase passenger carriage, market share as well as profitibility in a competitive domestic aviation market. In the current scenario, Indian Airlines overall yields have declined as Indian Airlines has been constrained to offer low fares in line with market dynamics, to retain its clientele.

Merger of Indian and Al

2263. SHRIMATI S.G. INDIRA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government had taken a decision to retain its holding in the new airlines after the merger of Indian and Air India;

(b) if so, the details thereof;

(c) whether it is also a fact that the new airlines will consider special business units that should become the real profit centres; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) The two merging companies viz. Air India and Indian Airlines are 100% Government held and so would be the new company.

(c) and (d) Yes, Sir. The new entity will have Strategic Business Units in the areas of Integrated Passenger Airline, Cargo, Ground Handling, MRO, Low Cost Carrier, etc. being run as separate profit centres.